



The strategy of GAZ-SYSTEM S.A. towards 2025



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STRATEGIC DIRECTIONS



DIRECTION 1

Building the position of the company through active engagement in the integration of the European gas market

Strategic objectives:

- ▶ To create a physical hub in the CEE region based on infrastructure operated by GAZ-SYSTEM S.A.
- ▶ To integrate the transmission system in Poland with adjacent systems and strengthen its transit function in the region
- ▶ To develop internal infrastructure, including by eliminating bottlenecks

KEY ACTIVITIES

- ▶ Construction of gas infrastructure that provides direct access to new supply sources
- ▶ Commissioning of cross-border interconnections that integrate the Polish and neighbouring systems
- ▶ Development of transmission infrastructure in Poland to enable the supply coming from diversified and competitive sources
- ▶ Construction of UGS facility and provision of comprehensive services embracing re-gasification / transmission / storage in Poland and the CEE region

STRATEGIC DIRECTIONS



DIRECTION 2

Ensuring the security of the transmission system operations and the continuity of transmission services

Strategic objectives:

- ▶ To maintain the technical operability of transmission system (gas pipelines and related installations)
- ▶ To increase the security of the transmission system operations

KEY ACTIVITIES

- ▶ Optimisation of the performance of operating activities by own technical services
- ▶ Maximisation of the degree of repairs performed
- ▶ Implementation of target solutions concerning protection of critical infrastructure

STRATEGIC DIRECTIONS



DIRECTION 3

Increasing the operational and organisational efficiency of the company

Strategic objectives:

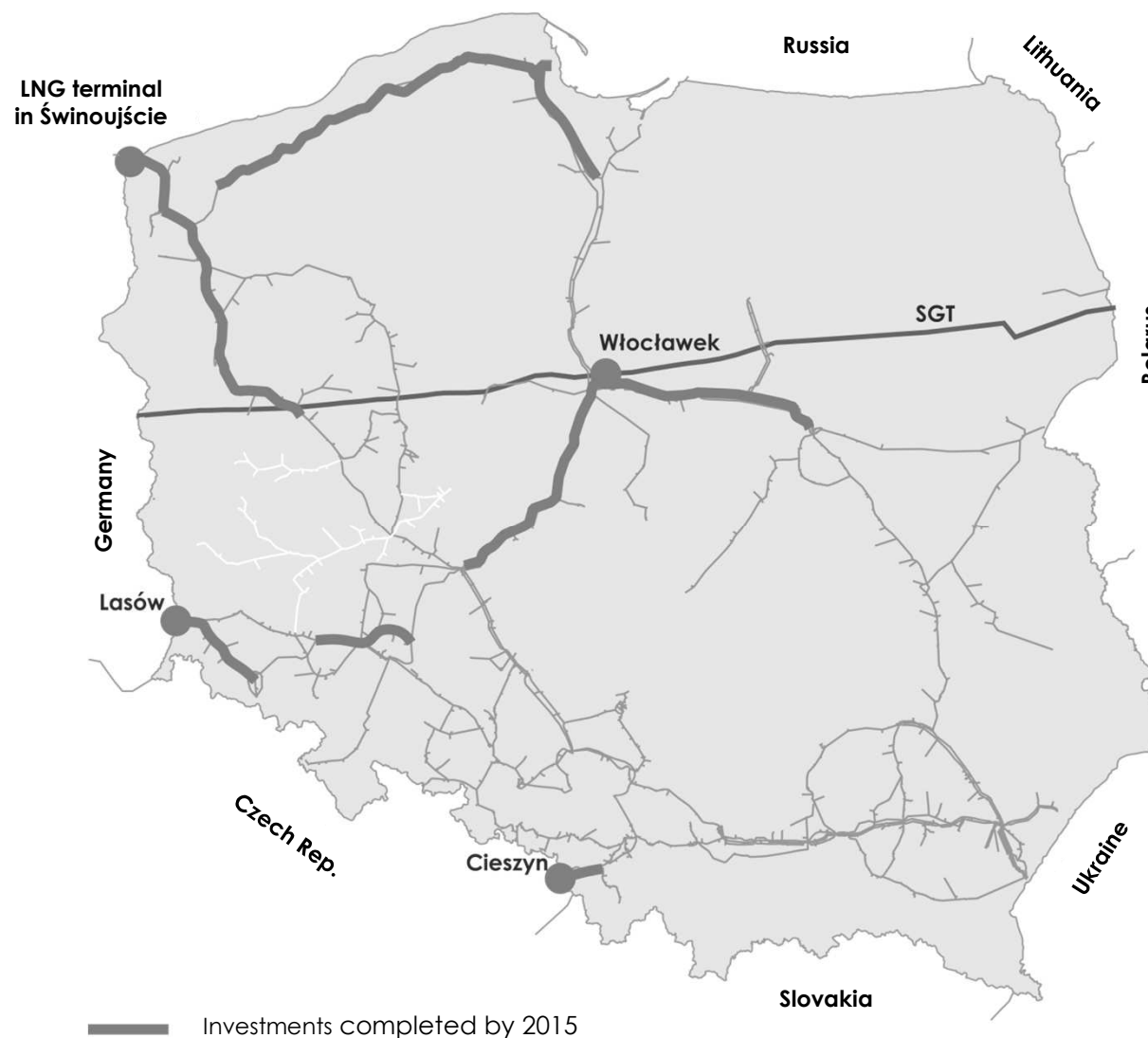
- ▶ To complete the cost optimisation process and optimise the company's financing structure
- ▶ To adapt the company's IT systems to the needs resulting from the strategic directions
- ▶ To pursue a proactive HR policy ensuring the implementation of the company's strategic aims
- ▶ To monitor the legislative processes and contribute towards the development of the gas sector

KEY ACTIVITIES

- ▶ Optimal use of technical competences for the company's own repairs, operations and investment needs
- ▶ Raising the quality and effectiveness of investment projects
- ▶ Ensuring financing for the implementation of strategic projects

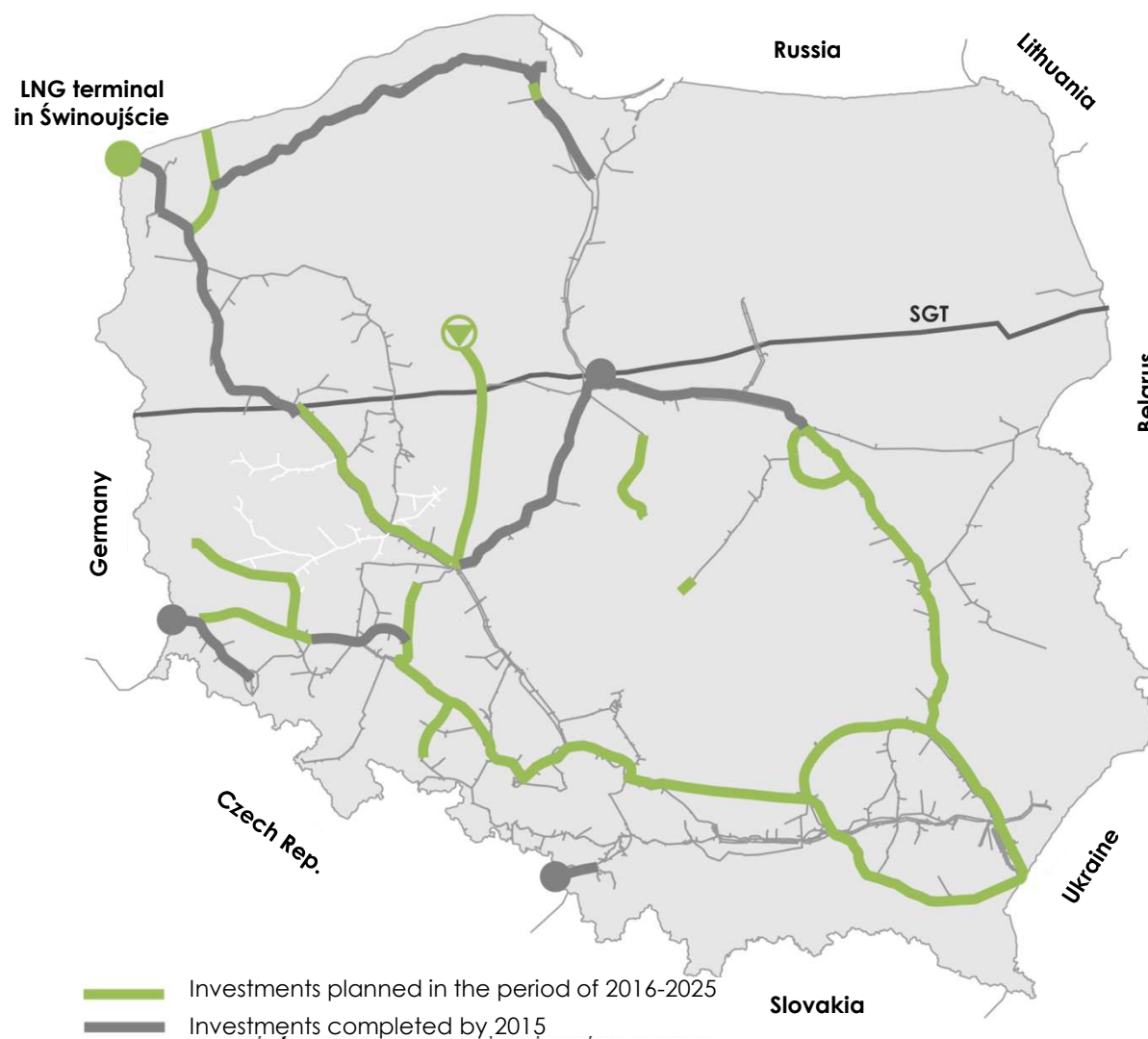
INVESTMENT PROJECTS COMPLETED IN THE PERSPECTIVE OF 2015

- ▶ In 2009–2015, GAZ-SYSTEM S.A. implemented an investment programme consisting of the construction of over 1,200 km of new gas transmission pipelines.
- ▶ The most important of them are located in north-western and central Poland. They are related to the transportation of gas delivered to the LNG terminal in Świnoujście.



INVESTMENT PROJECTS PLANNED BY 2025

- ▶ National Ten-Year Network Development Plan (nTYNDP) 2016–2025 is a continuation of the priority aims included in the previous development plan.
- ▶ This relates in particular to:
 - ▶ strategic investments
 - ▶ gas supply diversification / gas market integration
 - ▶ gas market development
 - ▶ security of supply
 - ▶ elimination of bottlenecks in the transmission system.



THE NORTHERN GAS CORRIDOR

BASIC SCENARIO

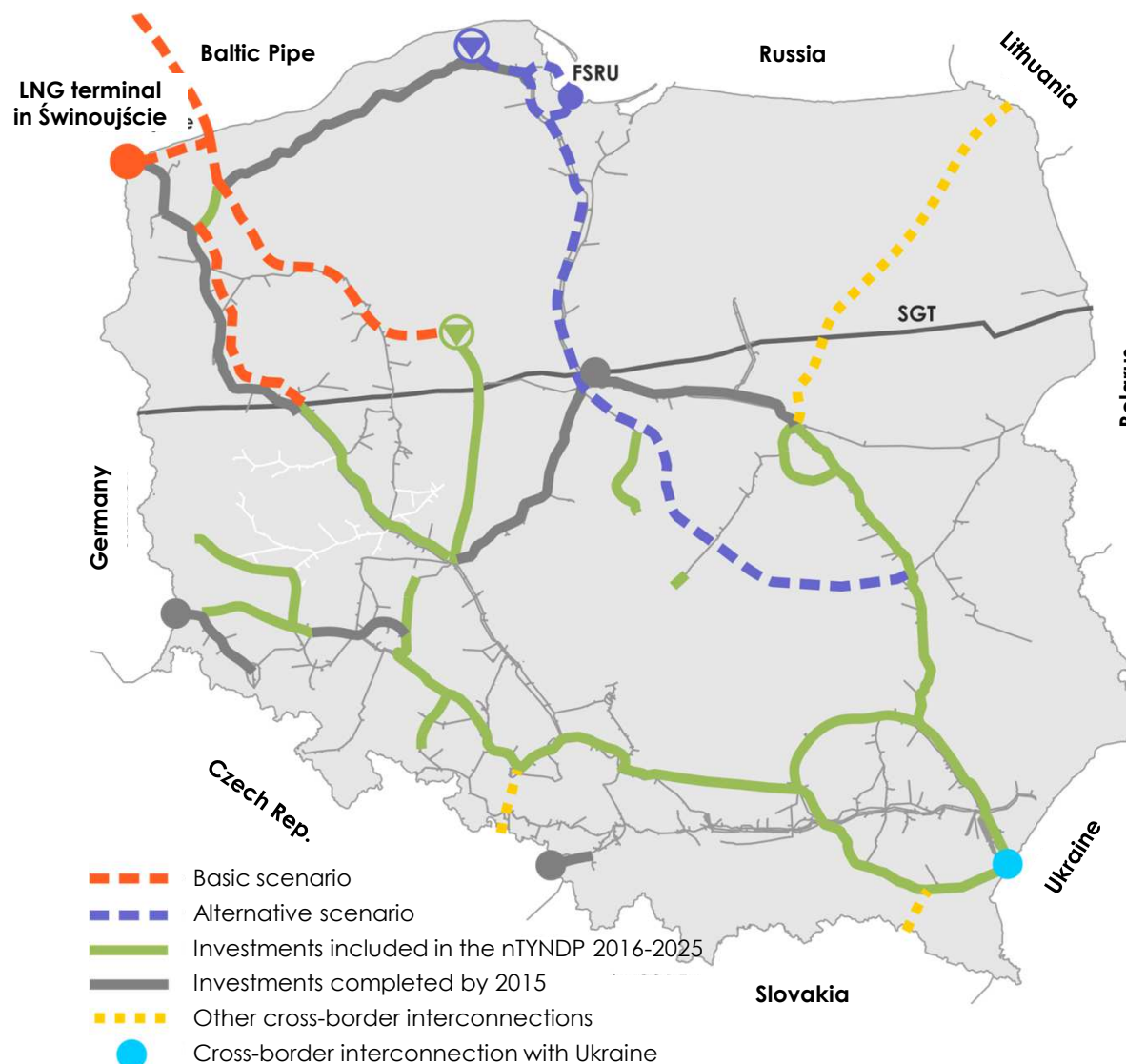
- ▶ Regasification capacity of LNG terminal in Świnoujście increased up to **7.5–10 bcm/y**
- ▶ Connection with Denmark **up to 10 bcm/y**
- ▶ Expansion of the transmission system in North-Western Poland to distribute gas from these directions

UGS facility to be located most likely in the area of Damastówek.

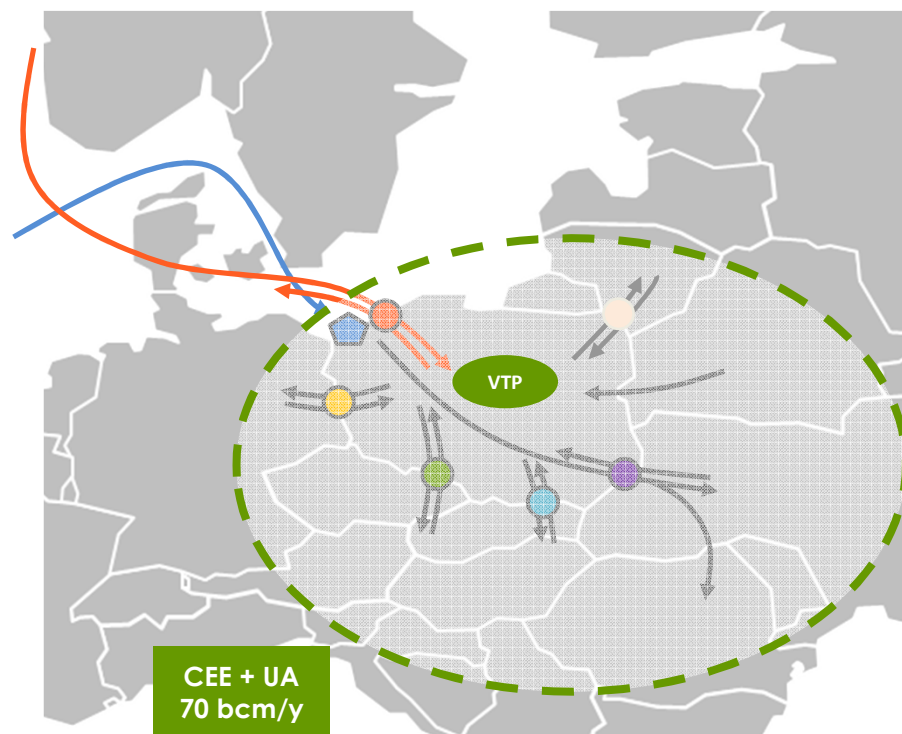
ALTERNATIVE SCENARIO

- ▶ Regasification capacity of LNG terminal in Świnoujście increased up to **7.5–10 bcm/y**
- ▶ FSRU in area of the Bay of Gdańsk **up to 10 bcm/y**
- ▶ Expansion of the transmission system to distribute gas towards the south-east (export to Ukraine)

UGS facility to be located most likely in the area of Białogard.



THE TRANSIT ROLE OF THE TRANSMISSION SYSTEM IN POLAND



- ▶ Investment projects enable the development of an integrated regional market with the annual consumption of approx. 70 bcm
- ▶ Creating an attractive mix of supply possibilities in the CEE region
- ▶ Increasing the economic competitiveness of markets in the CEE region
- ▶ Increasing competition between gas suppliers



Thank you for your attention



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